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Title: **Gwaltney of Smithfield, Ltd. and International Brotherhood of Teamsters (IBT) Local 822 (2002)**

K#: **378**

Employer Name: **Gwaltney of Smithfield, Ltd.**

Location: **VA Smithfield**

Union: **International Brotherhood of Teamsters (IBT)**

Local: **822**

SIC: **2011**

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Sector: **P**

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K # 378

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40 PAGES

AGREEMENT

between

TEAMSTERS LOCAL UNION 822

Affiliated with the
International Brotherhood of Teamsters

and

GWALTNEY OF SMITHFIELD, LTD.



For the period:
April 4, 2002 through April 3, 2007

AGREEMENT

THIS AGREEMENT made and entered into this 4th day of April, 2002, between GWALTNEY OF SMITHFIELD, LTD. (hereinafter referred to as "Employer") and TEAMSTERS UNION LOCAL 822 (hereinafter referred to as the "Union").

WITNESSETH:

That for the purposes of mutual understanding in order that harmonious relationship may exist between the Employer and the Union to the end that continuous and efficient service will be rendered to and by both parties, for the benefit of both, it is hereby agreed that:

ARTICLE 1

Section 1. Recognition and Union Security.

Section 1.1. The Employer recognizes the Union as the exclusive representative of all employees covered herein for the purposes of collective bargaining as provided by the National Labor Management Act:

Section 1.2. This Agreement shall cover all Production and Maintenance employees, including Shipping Department and Transportation Department employees, employed by the Employer at its Smithfield and Portsmouth, Virginia, locations, but excluding all Office/Clerical, Professional, Security, and Supervisory employees as defined in the Act.

Section 1.3. The term "he" as used in this Agreement is intended and shall be construed to refer equally to male and female employees.

Section 2. Transfer of Title. This Agreement shall be binding upon the parties hereto, their successors, administrators, executors, and assigns.

Section 3. Check-off Union Dues.

Section 3.1. The Employer agrees to deduct from the pay of all employees covered by this Agreement, dues, initiation fees, and/or uniform assessments of the Union and agrees to remit to the Union all such deductions prior to the end of the month for which deductions are made.

Where laws require written authorization by the employee, the same is to be furnished in the form required. No deductions shall be made for Union fines or any other deduction prohibited by applicable law.

Section 3.2. The Union shall certify to the Employer in writing each month a list of its members working for the Employer who have furnished to the Employer the required authorizations together with a statement of dues, initiation fees, and/or uniform assessments to be deducted for such month from the pay of such member. The Employer shall deduct such amount from the first paycheck following receipt of the statement of certification of the member and remit in one lump sum. An employee who is on check-off must make arrangements with the Union to pay dues in advance whenever the employee is not on the payroll or has no earning or insufficient earnings during the week the deduction is made.

Section 3.3. The Employer agrees to deduct from the paycheck of all employees covered by this Agreement voluntary contributions to D.R.I.V.E. D.R.I.V.E. shall notify the Employer of the amounts designated by each contribution employee that are to be deducted from his paycheck on a weekly basis for all weeks worked. The phrase "weeks worked" exclude any week other than a week in which the employee earned a wage. The Employer shall transmit to D.R.I.V.E. National Headquarters on a monthly basis in one (1) check, the total amount deducted along with the name of each employee on whose behalf a deduction is made, the employee's social security number and the amount deducted from the employee's paycheck. The International Brotherhood of Teamsters shall reimburse the Employer annually for the actual cost for the expenses incurred in administering the weekly payroll deduction plan.

Section 3.4. The Union agrees to hold the Employer harmless from any and all claims and/or liabilities of employees which may arise as a result of recognizing and honoring the check-off systems and D.R.I.V.E. provided herein. No deductions will be made which are prohibited by applicable law.

Section 4. Probationary Period. A new employee shall be employed on a 60-day (45 days for rehired employees) trial basis (which may be extended by mutual agreement), during which period he may be terminated without recourse of any of the provisions of this Agreement. Upon conclusion of the probationary period, the employee's name shall be placed on the appropriate departmental seniority list. A new or rehired employee will not be eligible for benefits for a period of six (6) months. For the purposes of this contract, temporary employees will not have seniority rights.

Section 5. New Hires. The Employer shall notify the Union whenever additional employees are needed and shall give the Union equal opportunity with all other sources to

provide qualified applicants to the Employer. The Employer retains the right to reject any applicant referred by the Union.

Section 6. Plant Visits. Authorized representatives of the Union shall be permitted to enter upon the Employer's premises upon making their presence known to a duly authorized person to conduct the affairs of the Union. Such representatives shall in no way interfere or interrupt the peaceful operation of the Employer's business.

Such Union representative will comply with all Company rules and regulations including all reasonable safety and health rules and regulations while on the Company's premises.

Section 7. Extra Contract Agreements. The Employer agrees not to enter into any other agreement or contract with its employees, individually or collectively, which would conflict with the terms and provisions of this Agreement. Any such agreement shall be null and void.

ARTICLE 2 NO STRIKE - NO LOCKOUT

Section 1. No Strike/No Lockout.

Section 1.1. The Union and the Employer agree that there shall be no strikes, lockouts or tie-ups, for any reason, during the term of this Agreement.

Section 1.2. It shall not be a violation of this Agreement, and it shall not be cause for discharge or disciplinary action, in the event an employee refuses to enter upon any property involved in a primary labor dispute, or refuses to go through or work behind any primary picket line of unions party to this Agreement and including primary picket lines at the Employer's places of business.

The layover provisions of the applicable Supplemental Agreement Rider or Addendum shall apply when a road driver is assigned to pick up or deliver product at or to a terminal at which a lawful primary picket line has been posted. This provision, however, is not intended to prevent the Company from making necessary alternative arrangements to ensure the delivery and pick up of product directed to customers involved in such primary picket activities.

Section 2. Violations. An employee engaged in any strike, slowdown, picketing, or other concerted interference in violation of this Article, or who refuses to perform

services duly assigned to him in violation of this Article, shall be subject to immediate dismissal without recourse to the Grievance and Arbitration provisions set forth in Article 7.

ARTICLE 3 MANAGEMENT'S RIGHTS

Section 1. Management Functions. All inherent and common law management functions and prerogatives which the Employer has not expressly modified or restricted by a specific provision of this Agreement are retained and vested exclusively in the Employer and the Employer shall continue to have the exclusive right to take any action it deems appropriate in the management of the plant and direction of the work force in accordance with its judgment.

Section 2. Non-Waiver. The Employer not exercising any function hereby reserved to it, or its exercising any such function in a particular way, shall not be deemed a waiver of its right to exercise such function or preclude the Employer from exercising the same in some other way not in conflict with the express provisions of this Agreement.

Section 3. Abide by Agreement. In the exercise of its rights under this Article, the Employer agrees to abide by the provisions of the other Articles of this Agreement.

Section 4. Rules and Regulations. The Employer shall be permitted to make and enforce reasonable rules provided they do not conflict with the provisions of this Agreement, in which case they shall be referred to the Grievance Procedure as set forth in this Agreement. All rules and regulations will be reviewed and approved by the Industrial Relations Department and any new rules or regulations will be negotiated with the Union prior to their implementation.

ARTICLE 4 JOB STEWARDS

Section 1. Recognition and Authority. The Employer recognizes the right of the Union to designate a reasonable number of Job Stewards from the Employer's seniority list. The Union agrees to notify the Employer in writing of the names of the Stewards as well as any replacements or changes. The Employer recognizes the employee's right to request and be given representation by a Steward or a designated alternate at such time as the employee reasonably contemplates disciplinary action. The employee does not have the right to select a representative of their choice. The authority of the Job Stewards so designated by the Union shall be limited to and shall not exceed the following duties and activities:

Section 1.1. The investigation and presentation of grievances (to the designated Employer Representatives) in accordance with the provision of this Agreement.

Section 1.2. The collection of dues when authorized by appropriate Union action.

Section 1.3. The transmission of such messages and information which shall originate with, and are authorized by the Union, or its officers, provided such messages and information:

Section 1.3.1. Have been reduced to writing; or,

Section 1.3.2 If not reduced to writing, are of a routine nature and do not involve work stoppages, slowdown, refusal to handle goods, or any other interference with the Employer's business.

Section 2. Limitations and Unauthorized Actions.

Section 2.1. Job Stewards have no authority to take strike action, or any other action interrupting the Employer's business except as authorized by official Union action.

Section 2.2. The Employer recognizes these limitations upon the authority of Job Stewards and shall have the authority to impose proper discipline, including discharge, without recourse, in the event the Job Steward has taken unauthorized strike action, slowdown or work stoppages in violation of this Agreement.

ARTICLE 5 SENIORITY

Section 1. Seniority Rights. Seniority rights shall prevail as provided for in this Agreement.

Section 2. Definition.

Section 2.1. An employee shall establish plant seniority following the completion of his probationary period as established in Article 1, Section 4, of this Agreement. Plant Seniority shall be defined as that period of continuous employment with the Employer occurring after the employee's most recent date of hire.

Section 2.2. An employee shall establish departmental seniority after he completes his probationary period. Departmental seniority of an employee shall be defined as that

period of continuous employment in a specific seniority department occurring after the employee's most recent date of hire or permanent transfer into that department.

Section 3. Seniority Departments. For purposes of seniority, the seniority departments in the plant shall be as follows:

Dry Cure (3-B)	Ham Boning
Smoking	Curing
Ham Processing	Bacon Slicing and Packing (C-2)
Smoked Meat Packing (C-3)	BSC
Fresh Sausage	Trim Blending
Maintenance	Drivers - Delivery
Drivers (Over-the-Road)	Freezer
Shipping	Receiving
Product Movement & Storage	AB Packing
Kill	Cut
Conversion	Club Pack - Marinated Pork
Warehouse (Dry Storage)	Dry Ice
Livestock	Sanitation
Leaker Inspection	Bacon Layout
Spiral Slicing	Cage
Palletizing	Truck Wash & Pallet Repair

PORTSMOUTH OPERATION

Preblend	Stuffing
Frank Packaging	Bulk
Lunch meat	Sausage
Shipping	Maintenance
Plant Clean-Up	

Section 4. Seniority List. The Employer agrees to furnish the Union with a list of employees in the order of their plant seniority and department seniority as soon as possible after the ratification of this Agreement. These lists will be provided by department as outlined in Article 5, Section 5.3, of this Agreement. It is agreed that such seniority lists shall be revised and forwarded to the Union at least twice per year (February 5 and August 1), during the term of this Agreement.

Section 5. Layoff.

Section 5.1. In the event the Employer permanently reduces the working force in a department, such reduction shall be made on the basis of department seniority and ability to perform the available work.

Section 5.2. An employee having plant seniority who is removed from his department as a result of paragraph 1 above, shall be assigned to a vacancy that exists in the plant. In the event no such vacancy exists, then the employee shall have the right either to displace the "most junior" employee in the plant who is assigned to a job he can perform, or to go off the payroll.

Production 618 operators, tux, maintenance and truck driving employees shall not be considered to be "most junior" employees for purposes of paragraph 2 above.

Section 6. Recall.

Section 6.1. The Employer agrees to recall laid off employees in the reverse order of their layoff subject to their ability to perform the available work.

Section 6.2. In recalling a laid off employee, the Employer shall attempt to contact and notify such employee by telephone and certified mail at his last known address, not less than five (5) days prior to the date that the employee is to report to work. Failure of the employee to keep the Employer informed of all changes in his telephone number and mailing address shall relieve the Employer of any responsibility to recall such employee. The Union will receive a copy of the certified letter.

Section 7. Temporary Seniority. An employee working in a new department as a result of a layoff from his original department, shall have temporary seniority in that department starting from the first day of work in that department.

In the event the employee returns to his original department due to recall, he shall lose his temporary seniority in the new department.

In the event the employee declines recall to his original department and elects to stay in the new department, he shall lose his seniority in his original department and his temporary seniority in his new department shall become his permanent seniority.

Section 8. Job Vacancies.

Section 8.1. Notice of full-time job vacancies on a shift which occur as a result of a termination will be posted in the department in which the vacancy occurs for a 24-hour period. Any employee in the department where such vacancy exists who desires consideration for the job may apply, providing it represents a bona fide promotion, shift change or significant change in responsibilities, by writing his/her name on the notice.

Section 8.2. Full-time job vacancies shall be filled on the basis of departmental seniority and ability to perform the available work, provided the employee has passed his probationary period.

Section 8.3. The Employer may at any time temporarily transfer an employee to fill a temporary vacancy.

Section 9. Request for Transfers. The Employer will consider requests when filling vacancies in other departments providing such employees have previously completed a "Request for Transfer" form. Such form shall be completed in triplicate and the form submitted to the Department Supervisor and the Personnel Department. The employee will retain one (1) copy of such request. All transfer requests will be based on Plant seniority.

Section 10. Loss of Seniority.

Section 10.1. The seniority of an employee shall be considered terminated and all rights forfeited when he:

- A. Voluntarily leaves or resigns the service of the Employer;
- B. Is discharged;
- C. Is absent from scheduled work for three (3) days without notice to the Employer;
- D. Fails to return to work upon recall from layoff in accordance with Section 6.2 of this Article;
- E. Has been laid off for a period of eighteen (18) consecutive months; or
- F. Fails to comply with the provisions of Article 17, Leaves of Absence.

ARTICLE 6

DISCHARGE AND DISCIPLINARY ACTION

Section 1. Except in cases of cardinal infractions under this Agreement, an employee to be discharged or suspended shall be allowed to remain on his job, without loss of pay unless and until the discharge or suspension is sustained under the grievance procedure.

Cardinal infractions result in immediate discharge. Cardinal infractions are workplace violence, insubordination, dishonesty, possession of weapons on company property, use of drugs and/or alcohol on company property, under the influence of drugs and/or alcohol on company property.

Insubordination is defined as blatant disobedience/disregard to management authority and/or instructions.

Section 2. In the event the Employer should discharge or disciplinary suspend an employee from work, the same should be done in writing with a copy to the Union Business Representative.

Section 3. Warning notices shall have no force or effect after nine (9) months except for attendance write-ups/notices and suspensions, which shall remain in force for eleven (11) months. Except in instances of cardinal infractions, the Company shall have five (5) working days beginning the full working day after the occurrence of the violation to issue the disciplinary write-up/notice to an employee. The five (5) working days excludes days the employee is absent from work, weekends whether there is scheduled work or not, and holidays.

Section 3. Either the employee and/or his Union representative shall be required to acknowledge, with their signature on disciplinary actions. Signatures do not indicate agreement, simply acknowledgment.

ARTICLE 7

GRIEVANCE AND ARBITRATION PROCEDURE

Section 1. Grievance Procedure. The parties agree that they will promptly attempt to adjust any grievance or dispute which may arise involving a question of the interpretation or application of matters covered by this Agreement, and that such grievance or dispute shall be handled in accordance with the following procedure, except in the case of a grievance concerning the discharge of an employee, then the parties may agree to waive Steps 1 and 2 below and proceed immediately to Step 3 in an attempt to adjust such grievances.

- Step 1. The grievant shall first take up his grievance with his immediate supervisor, with or without the Job Steward, within five (5) working days, after the employee has knowledge of the event that gave rise to the grievance.
- Step 2: If the grievance is not settled in Step 1 above, then within three (3) additional working days, it shall be reduced to writing and referred for settlement between the Job Steward and the Division Manager/Department Head.
- Step 3. If the grievance is not settled in Step 2 above, then within five (5) additional working days it shall be referred for settlement between the Union Business Representative and the designated Employer representative of the Industrial Relations Department.
- Step 4. It is understood and agreed that if the parties fail to reach a decision or agree upon a settlement at Step 3, it shall be docketed in writing to the Piedmont Grievance Committee no later than ten (10) working days, unless otherwise mutually agreed to.

Section 2. Processing of Grievances. Discussion and processing of grievances shall be limited to before or after a shift, rest or lunch period; emergencies excepted.

Section 3. Arbitration Procedure. Grievances which are not settled pursuant to the Grievance Procedure, and which the Union desires to contest further, and which involve the interpretation or application of the provisions contained in this Agreement, shall be submitted to arbitration as provided in this Article, but only if the Union gives written notice to the Employer of its desire to arbitrate the grievance within ten (10) days after the termination of Step 3 of the Grievance Procedure.

Section 4. Selection of Arbitrator. An arbitrator shall be selected from a list of seven (7) arbitrators submitted by the Federal Mediation and Conciliation Service by alternately striking of names until one (1) name remains; provided, however, that in the event either party feel that the list submitted by the Federal Mediation and Conciliation Service is unsatisfactory, such party shall have the right to request no more than one (1) additional list of arbitrators until a satisfactory list has been received. The party who strikes the first name from the panel shall be determined by lot.

Section 5. Witnesses. Either the Employer or the Union may call any employee as a witness and the Employer agrees to release the witness from work if he is on duty. If an

employee witness is called by the Employer, the Employer will reimburse him for lost time; if called by the Union, the Union shall pay the expense.

Section 6. Limitations of Arbitrator.

Section 6.1. The arbitrator shall have no power to alter, amend, change, add to, or subtract from, any of the terms of this Agreement, but shall determine only whether or not there has been a violation of this Agreement within the allegation set forth in the grievance. The decision of the arbitrator shall be based solely upon the evidence and arguments presented to him by the respective parties in the presence of each other.

Section 6.2. The decision of the arbitrator shall be final and binding upon the parties to the dispute.

Section 7. Expenses. The Union and the Employer shall each pay the expenses of their respective representatives and the expense of the arbitrator shall be equally divided between them.

Section 8. Similar Grievances. The arbitrator may hear and determine only one (1) grievance at a time without the express agreement of the Employer and the Union. In the event there are similar grievances, the Employer and the Union will make every effort to agree to arbitrate them together.

Section 9. Non-Compelling Arbitration. It is expressly agreed and understood that no employee shall have the right to compel the arbitration of his grievance or dispute without written consent of the Union.

ARTICLE 8

CLASSIFICATIONS (GRADES) AND RATES OF PAY

Section 1. Rates of Pay.

Section 1.1. The straight time hourly rate for the various job classifications shall be in accordance with the following grade structure on the effective dates:

PRODUCTION

	<u>4/4/2002</u>	<u>4/4/2003</u>	<u>4/4/2004</u>	<u>4/4/2005</u>	<u>4/4/2006</u>
	(Bonus)				
Grade 1	\$1100.00	\$ 9.59	\$ 9.84	\$ 10.12	\$ 10.42

Grade 2	\$1100.00	\$ 9.91	\$10.16	\$ 10.44	\$ 10.74
Grade 3	\$1100.00	\$10.14	\$10.39	\$ 10.67	\$ 10.97
Grade 4	\$1100.00	\$10.39	\$10.64	\$ 10.92	\$ 11.22
Grade 5	\$1100.00	\$10.65	\$10.90	\$ 11.18	\$ 11.48
Grade 6	\$1100.00	\$10.92	\$11.17	\$ 11.45	\$ 11.75
Grade 7	\$1100.00	\$11.21	\$11.46	\$ 11.74	\$ 12.04

MAINTENANCE

	<u>4/4/2002</u> (Bonus)	<u>4/4/2003</u>	<u>4/4/2004</u>	<u>4/4/2005</u>	<u>4/4/2006</u>
Grade 1	\$1100.00	\$10.79	\$11.04	\$11.32	\$11.62
Grade 2	\$1100.00	\$11.09	\$11.34	\$11.62	\$11.92
Grade 3	\$1100.00	\$11.43	\$11.68	\$11.96	\$12.26
Grade 4	\$1100.00	\$11.84	\$12.09	\$12.37	\$12.67
Grade 5	\$1100.00	\$12.34	\$12.59	\$12.87	\$13.17
Grade 6	\$1100.00	\$12.79	\$13.04	\$13.32	\$13.62
Grade 7	\$1100.00	\$13.19	\$13.44	\$13.72	\$14.02
Grade 8	\$1100.00	\$14.62	\$14.87	\$15.15	\$15.45

Section 1.2. Certified Emergency Response Team Members will receive a 4% per hour increase for incidents requiring Certified Emergency Response Personnel.

Section 2. Crewleaders and/or Leadpersons.

Section 2.1. Crewleaders are members of the bargaining unit and as such do not have supervisory authority. Management has the discretion to remove or replace crewleaders without recourse of any of the provisions of this Agreement. Their duties are defined as follows:

"Oversees, coordinates, issues instructions and directs the work of one or more employees in a department which may include, but is not limited to, training of employees on various operations as directed/instructed by supervision. Assures compliance of company safety standards and analyzes and resolves work problems as directed/instructed by

supervision. Assists workers in solving work problems and performs other duties as directed/instructed by supervision."

Section 2.2. The rate of a Crewleader and/or Leadperson shall be a minimum of 3.5% to a maximum of 7% over the highest labor rate assigned.

Section 3. Starting Rates. During his/her first six (6) months of employment, each new employee shall be paid on the following basis:

Hire Date	\$8.25 per hour
After six (6) months	Full Rate of Grade

Rehired employees will receive \$8.50 per hour upon hire, and full rate of job after six (6) months.

Maintenance only will remain with current contract language of 85% of pay grade the first month; 95% of pay grade the second month; and full rate of the job at the end of probation.

Section 4. Pay Period.

Section 4.1: Each employee covered by this Agreement shall be paid in full each week. Not more than seven (7) days shall be withheld on an employee. Each employee shall be provided with an itemized statement of his/her earnings and of all deductions made for any purpose.

Section 4.2. First shift payroll checks will be distributed to employees no earlier than lunch break on Fridays. Second shift employees will receive their paychecks no earlier than lunch break on Thursday. Third shift employees will receive their paychecks no earlier than Friday morning at shifts end. The preceding practice will be followed unless there is an unforeseen event.

Section 4.3. Payroll checks will be distributed as provided above except in cases beyond the control of the Employer.

Section 5. Shift Differential. Each Production and Maintenance employee, upon completion of his probationary period, shall be entitled to receive a premium of 25¢ per hour for each hour worked between 6:00 p.m. and 6:00 a.m.

Section 6. Work By Supervisory Employees. It is mutually agreed that supervisory employees who are not subject to the provisions of this Agreement shall not be

permitted to perform work on jobs covered hereunder except as provided on a temporary and necessary basis to assure continued production and in the following circumstances:

- A. For training and working with employees on a new and different job;

- B. For filling an employee's job temporarily while a replacement is being acquired;
- C. During any period of emergency or to finish out a shift when additional employees are not available; or
- D. For temporary relief of any employee.

ARTICLE 9

WORKWEEK - PRODUCTION/MAINTENANCE EMPLOYEES

Section 1. Workweek. For pay purposes, the normal workweek shall commence on Monday and conclude on the following Sunday. There shall be no splitting of work weeks.

Section 2. Daily Guarantee. Each employee who reports for work in accordance with his schedule, unless previously notified otherwise, shall be entitled to four (4) hours of work or four (4) hours of pay at his/her straight time hourly rate in lieu thereof. Any employee may be assigned to available work in order to fill out his schedule.

Section 3. Overtime.

Section 3.1. Overtime shall be paid on the basis of one and one-half (1-1/2) times the employee's rate for all hours worked over forty (40) hours in a normal work week and thirty-two (32) hours in a week in which a recognized holiday occurs.

Section 3.2. Two (2) times the employee's straight time hourly rate shall be paid for all hours worked on Sunday or the seventh (7th) consecutive working day of the employee's scheduled work week. This provision shall apply unless the employee has an unexcused absence in the six (6) scheduled workdays prior to the Sunday or the seventh (7th) scheduled consecutive workday of the employee's scheduled work week. Missing work for reasons covered by this Agreement (Jury Duty, Funeral Leave) and to include bonafide excused sick day which requires a complete doctor's note/release containing the reason and date/dates the employee was out. A prearranged day off must be approved by the immediate supervisor in writing (form supplied and signed by the employer and supervisor) two (2) working days prior to the day to be taken and shall not disqualify an employee for the double time provision.

Section 3.3. The Employer agrees insofar as it is possible to attempt to equalize overtime work for employees in comparable work assignments.

Section 3.4. There shall be no pyramiding of overtime pay.

Section 4. Call-In. Maintenance Mechanics on a "call-in" status will, when called in, be guaranteed four (4) hours' work or four (4) hours' pay in lieu thereof.

Section 5. Guarantees. Guarantees set forth in this Agreement shall not apply in the event the Employer is unable to furnish work by reason of flood, fire, storm, Acts of God, riots, strikes, or those acts completely beyond the control of the Employer including reductions caused by energy shortages, which shall be verified by the appropriate governmental agency or energy supplier.

Section 6. Meal Periods. The Employer agrees to grant each employee daily, a minimum of thirty (30) minutes to a maximum of one (1) hour, without pay, for meals which shall be scheduled as near to the middle of each shift as possible. The parties agree to continue the present practice with respect to continuous operation.

Section 7. Rest Periods. The Employer agrees that each employee shall be given a 15-minute paid rest period during the first half of their shift of work and a 10-minute paid rest period during the second half of their shift. The ten (10) minute paid rest period during the second half of the shift will only be paid if employees work over 6-3/4 hours. Less than 6-3/4 hours worked, no 10-minute break will be paid. Rest periods shall be scheduled as near to the middle of each shift as possible, emergencies excepted. If an employee is required to work more than ten (10) hours, he shall receive an additional 10-minute break between the 8th and 9th hour. Rest period is a time set aside for restroom visits, resting, acquiring, cleaning, upgrading, taking off/putting on equipment, and/or exchanging equipment and supplies, (example: smocks, knives, safety, etc....) and/or other personal needs.

Section 8. Work in a Different Classification.

Section 8.1. An employee shall perform any work which supervision may direct with the understanding that when an employee is temporarily assigned to a job with a lesser rate of pay, he shall receive his regular rate of pay unless, due to a decrease of work, the employee has been regularly assigned to a lower rated job and desires to retain such job rather than be laid off.

Section 8.2. When an employee is assigned to work in a higher classification, he shall be paid the higher rate for the actual time worked in the higher classification providing he works two (2) or more hours in the higher classification.

ARTICLE 10 HOLIDAYS

Section 1. Recognized Holidays. In any week in which one of the following enumerated holidays occur, each eligible employee, as provided herein, shall receive an additional eight (8) hours' pay at his straight time hourly rate:

New Year's Day	Martin Luther King's Birthday
Memorial Day	Independence Day
Labor Day	Thanksgiving Day
Christmas Eve Day	Christmas Day

Easter Monday. Although not a holiday, employees will be compensated for Easter Monday at eight (8) hours times their regular straight time rate. These hours will not be used in the calculation of overtime benefits, i.e., hours *worked* must exceed forty (40) in that week to be eligible for overtime. The Employer reserves the right to cancel production on Easter Monday.

Section 2: Eligibility.

Section 2.1. The above holiday benefits shall not be paid in the following circumstances:

- A. Employees who have not completed their probationary period; and,
- B. An employee who does not work his full scheduled workday before and his full scheduled workday following the holiday or on the holiday itself if so scheduled.

Section 2.2. In case of occupational and non-occupational illness or injury, an employee will be paid for any holiday falling within the first three (3) months of that illness or injury providing that the employee works his last scheduled workday prior to his illness or injury. Non-occupational illnesses or injuries must be certified by a doctor's certificate and/or authorized by supervision. Holiday pay shall be paid at the straight time rate excluding shift differentials.

Section 3. Rescheduling Holiday.

Section 3.1. Due to the nature of its business and delivery operations, the Employer reserves the right to schedule employees' work on holidays determined by competitive

market factors. In the event an employee is required to work on a recognized holiday, he shall be paid for the work performed on that day and receive, in addition hereto, eight (8) hours' pay at his straight time hourly rate. With respect to delivery operations, the Employer may schedule the day before or the day following the holiday as the holiday.

Section 3.2. If one of the above-recognized holidays fall within the employee's vacation period, he shall receive one (1) extra day's vacation or eight (8) hours' pay at his straight time hourly rate in lieu thereof.

ARTICLE 11 VACATIONS

Section 1. Vacation Benefits. Vacations will be bid on plant seniority inside a department.

Effective with the calendar year 1979 and thereafter, each qualified employee with one or more years of continuous service shall be entitled to vacation benefit in accordance with the following schedule:

After 1 year	1 week
After 3 years	2 weeks
After 10 years	3 weeks
After 20 years	4 weeks

Section 2. Vacation Benefit Payment. Vacation benefit for eligible employees shall be paid on the basis of 42 times the employee's straight time hourly rate. In the case of truck drivers, vacation benefits shall be computed from the W-2 gross earnings of the preceding calendar year. Vacation monies will be paid by separate check and at no time included with regular compensation.

Section 3. Vacation Schedules.

Section 3.1. The vacation period shall be from January 1 to December 31, and the seniority list and vacation schedules will be posted prior to January 1.

Section 3.2. Eligible employees will be allowed to select their vacation on the basis of plant seniority inside a department. The Employer reserves the right to determine the number of employees to be off at any particular time.

Section 3.3. Employees will be allowed to split their vacation by the week. All weeks are to be selected at the time of the vacation bid process.

Section 4. Qualification for Vacation Benefit.

Section 4.1. Effective January 1, 1989, and thereafter, each regular full-time employee with one or more years of continuous service shall be entitled to a normal vacation benefit providing he has worked a minimum of 1,000 hours during the year immediately preceding January 1. Holiday and vacation time taken during the previous year will be included when calculating the 1,000-hour vacation eligibility.

Section 4.2. In the case of a regular, full-time employee working for his first vacation, the date used to determine whether or not he has earned a vacation shall not be January 1, but, rather, the anniversary date of his first year of employment.

Section 4.3. Seniority, rather than continuous service, shall be the governing factor only in determining whether or not an employee is qualified as a 3-year employee, a 10-year employee, or a 20-year employee. Seniority shall be used only for that purpose and not for the purpose of determining whether or not an employee has earned a vacation in a given year since this determination is made above.

Section 4.4. For the purposes of determining whether or not an employee has worked a minimum of 1,000 hours during the previous calendar year, it is agreed that in cases of short work weeks for vacation eligibility only, an employee shall be credited with a minimum of forty (40) hours for each week in which he is scheduled for five (5) days and works as scheduled. Holiday and vacation time taken during previous year will be included when calculating the 1,000 hours' vacation eligibility.

Section 4.5. Employees with twenty (20) or more years of service who are disqualified for vacation benefits due to an absence resulting from a bona fide illness will have those absent hours credited to hours worked for vacation eligibility purposes provided those absent hours were the result of a bona fide medical leave of absence and not in excess of 500. Absent hours will be credited at eight (8) hours per-day of medical leave.

Section 4.6. Former employees on Military Leave of Absence, upon return from active military service, will become eligible for vacation benefits based on their prior service with the Company providing they work three (3) months from the date of reinstatement and are re-employed within thirty (30) days of their separation from active military service.

Section 5. Payment in Lieu of Vacation.

Section 5.1. No employee may demand pay in lieu of vacation nor may a vacation benefit be carried from one year to the next. This will not preclude the employer from offering and the employee accepting vacation pay in lieu of time off.

Section 5.2. Each employee with five (5) years or more of continuous employment as of January 1 of any year and who is laid off or resigns before receiving a vacation which is due him, shall receive the number of weeks pay to which his years of continuous employment entitle him in lieu thereof, provided that, in case of resignation, he submits a five (5) day advance notice of his resignation. This requirement may be waived in cases of resignation due to emergency situations.

Section 5.3. Each employee with less than five (5) years of continuous employment as of January 1 of any year and who is laid off or resigns before receiving a vacation which is due him shall receive the number of weeks pay based on each twelve (12) months of service to which his years of continuous employment entitles him in lieu thereof.

Section 5.4. No vacation benefits will be paid to any employee who is discharged for dishonesty.

ARTICLE 12 GROUP INSURANCE PLAN

Section 1. Plan. The Employer has in effect a voluntary, contributory Group Insurance Plan of benefits for eligible employees and their dependents which it agrees to continue during the term of this Agreement.

Section 2. Benefits. Changes to the existing Plan of benefits will be as follows:

Section 2.1. Life Insurance - \$20,000.

Section 2.2. Health Care Coverage - See Plan booklet. Plan booklet will have the disability insurance of \$100, medical lifetime maximum of \$150,000, deductible of \$400 for outside network/\$300 outside service area, doctor co-pay \$15 in network, \$35 co-pay for a specialist, and, prescription drugs. 70% for brand names, 90% for generic.

Section 3. Health Care Premiums. The weekly health care premiums are as follows:

	<u>4/4/2002</u>	<u>4/4/2003</u>	<u>4/4/2004</u>	<u>4/4/2005</u>	<u>4/4/2006</u>
EE Only	\$ 7.50	\$ 8.50	\$ 9.50	\$ 10.50	\$ 11.50
EE - 1 or 2 Dependents	\$ 9.50	\$ 10.50	\$ 11.50	\$ 12.50	\$ 13.50
EE - 3+ Dependents	\$ 13.50	\$ 14.50	\$ 16.00	\$ 17.00	\$ 18.00

Section 4. Rules and Regulations. The parties agree that all benefits, procedures and determinations concerning this Group Insurance Plan are those specifically set forth by the Employer and the Insurance Company, and the Employer reserves the sole and complete right to make all rules and determinations governing the Plan and its administration which shall not be subject to negotiations by the parties of this Agreement.

Section 5. Plan Booklets. The program, procedures and outline of the Plan will be made available to the Union and employees in appropriate announcement booklets and brochures.

ARTICLE 13 PENSION PLAN

Section 1. Effective January 1, 1982, the Employer shall make available to all eligible employees on a non-contributory basis, the Gwaltney of Smithfield, Ltd., Hourly Pension Plan.

Section 2. The Pension Plan shall provide a monthly pension equal to \$8.00 times all credited years of service from November, 1981, for all eligible employees who retire on or after January 1, 1989. Effective February 6, 1993, the Plan shall provide a monthly pension of \$10.00 times all credited years of service. Effective April 14, 1997, the Plan shall provide a monthly pension of \$11.00 times all credited years of service. Effective April 3, 2002, Seventeen Dollars (\$17.00) times credited years of service. There shall be no retroaction.

Section 3. The Plan, its administration and ruling shall be specifically set forth in the Plan documents, Trust Agreements, and the rulings of its Trustees, and it is specifically understood and agreed that all determinations and decisions pertaining to the Pension Plan shall be made solely and completely by the Employer.

Section 4. The Employer and the Union agree to implement the Teamsters National 401(k) Tax Deferred Savings Plan. It is further agreed that the Employer shall withhold from an employee's earnings amounts agreed and deposit such monies into a 401(k) account in the employee's name in compliance with the Internal Revenue Code, E.R.I.S.A., and the Local Participation Agreement.

ARTICLE 14

JURY DUTY

An employee who has completed his/her probationary period and who is required to serve and perform jury duty shall be compensated by the Employer at his/her straight time hourly rate for regularly scheduled work hours lost, provided he or she is prepared to offer valid proof of such jury duty upon request by the Employer. Whenever the employee is temporarily excused from such jury duty or not selected by the Court on a scheduled work day, he or she shall advise the Department Manager as promptly as possible and stand ready to report for work within a reasonable period of time if requested by the Employer. The receipt of notice to report for jury duty must be reported immediately to the Department Manager.

In no event will payment exceed eight (8) hours per day, and time of such jury service shall not be counted as time worked for the purposes of computing weekly overtime.

ARTICLE 15

FUNERAL LEAVE

In the event of the death of an employee's spouse, children, stepchildren, mother, father, brother, sister, or grandparents, an employee may be allowed up to five (5) consecutive days off for the purpose of permitting him/her to and, providing he/she does, attend the funeral of the deceased.

The employer will pay up to three (3) days pay of funeral leave if such days cause an employee to lose time from regularly scheduled work. The employer will pay one (1) day funeral pay for death of mother-in-law or father-in-law if such day causes an employee to lose time from regularly scheduled work. Payment will be based on the employee's straight time hourly rate for the time lost up to a maximum of eight (8) hours per day. To be paid, the funeral must fall within the paid day(s) and documentation showing relationship must be submitted.

Funeral leave shall not be considered as time worked for overtime pay purposes.

ARTICLE 16

SICK LEAVE PROGRAM

Section 1. Benefit and Payment. Each regular full-time employee with one (1) year or more of continuous service shall be entitled to six (6) days of sick pay annually, computed on the basis of eight (8) times the regular straight time hourly rate. Such leave shall accrue to an eligible employee on the basis of one-half ($\frac{1}{2}$) day (four [4] hours), leave for each month he works a minimum of eighty (80) hours. Eligible employees will receive pay for each scheduled workday of absence due to sickness with the exception of Jury Duty, Funeral Leave and absences which are the result of disciplinary actions. Pay for absence is not to be construed to mean that time off is excused. Employees are still subject to disciplinary action for excessive absenteeism. In the event an employee has not taken all of said sick leave prior to the end of the calendar year, the unused portion of such six (6) days shall be paid to him/her on or about December 15.

Section 2. Eligibility.

Section 2.1. If a regular, full-time employee has less than one (1) year of continuous service as of January 1, he or she shall not become eligible for such leave benefits until he has completed his first full year of employment. He shall then accrue leave for each month in which he works a minimum of eighty (80) hours subsequent to his anniversary date, as provided above.

Section 2.2. Employees will not receive sick pay in conjunction with any holiday; i.e., immediately preceding or following a holiday (reference Article 10, Section 10.2). Nor will they receive sick pay for absence on Easter Monday.

Section 2.3. Should a qualified employee be separated from his/her employment prior to the end of the calendar year, except in cases of discharge for dishonesty, he or she shall be paid for any leave not previously taken.

Section 2.4. Actual days received will be deducted from the employee's leave accrual.

Section 2.5. The present practice with respect to Transportation employees shall continue.

ARTICLE 17 LEAVES OF ABSENCE

Section 1. Official Union Business. The Employer agrees to grant the necessary time off without discrimination or loss of seniority rights and without pay to any employee designated by the Union to attend a labor convention or serve in any other capacity or other official Union business providing 48 hours advance written notice is given to the Employer by the Union specifying length of time off. The Union agrees that in making its request for time off for Union activities, due consideration will be given to the number of employees affected in order that there shall be no disruption of the Employer's operation due to lack of available employees.

Section 2. Military Leaves. Employees on a military leave of absence serving in the Armed Forces shall not be entitled to receive benefits set forth in this Agreement unless and until they qualify for the same as set forth in the appropriate Article of this Agreement and other than those required by applicable law.

Section 3. Medical Leaves. When an employee is granted a medical leave of absence based on the request of the employee's physician and in accordance with Company policy, the Employer will provide a medical leave of absence to a maximum of ninety (90) days. Insurance benefits will continue while an employee is on a medical leave of absence provided he or she provides proper documentation and pays any premiums due. Should the employee remain disabled beyond the maximum, he or she will be removed from the payroll but will retain eligibility for reinstatement up to one (1) year with no loss of seniority from the inactive date. The employee, when reinstated, would go to a comparable position.

If the employee remains disabled beyond one (1) year from inactive status, he or she will be eligible for rehire. Under these circumstances, the employee will have his/her service time, or seniority, bridged after working the same period of time that he had been absent. Bridging is interpreted to mean restoring seniority less the actual time off the rolls. These employees will be rehired to any available position and under the same conditions as outlined under "Probationary Period", Article 1, Section 1.4. of this Agreement.

Maternity leaves of absence shall be treated as any other disability leave of absence for purposes of this Article only. The Employer will comply with all laws of the Family and Medical Leave Act of 1993.

Maintenance and Truck Driver employees will only be offered available positions in their respective departments.

Section 4. Other Leaves. The Employer reserves the right to approve employees' requests for other leaves of absence based upon good and sufficient reason up to a maximum of ninety (90) days.

Section 5. Loss of Seniority. During a period that an employee is on an approved leave of absence in accordance with the provisions of this Article, the employee shall not engage in gainful employment unless mutually agreed upon by the Employer. Failure to comply with this provision shall result in the complete loss of seniority rights and the job of the employee involved.

ARTICLE 18 MISCELLANEOUS

Section 1. Uniforms.

Section 1.1. The Employer agrees to continue its practice of furnishing, at no cost to employees who are required to use them, raincoats, rubber gloves, knives, stones, steels, respirators, knife and hook scabbards, safety goggles, rubber aprons, rubber safety boots, cotton aprons, coats, frocks, caps, and hairnets. Where necessary, the Employer will furnish rubber boots to sanitation employees and employees who are required to work in continuously wet areas, as identified by the Employer. Any equipment or clothing required by a governmental regulation shall be subject to negotiation between the Company and Union in order to determine responsibility of costs.

Section 1.2. The item will be issued on an initial basis and replacement made when unserviceable, provided the employee turns into the Employer the unserviceable item. Items lost due to locker inspections/fumigations, during medical leaves or vacations or other unusual circumstances which prevented the employee from seeing the notification will be replaced by the Employer at no cost.

Section 1.3. The parties agree that every effort will be made to properly utilize and control these items of issuance so as to prevent unnecessary replacement costs to the Employer.

Section 1.4. Each over-the-road driver shall be issued two (2) complete winter and summer uniforms consisting of shirt, pair of pants, jacket and cap for winter, and the same for summer, excluding the jacket.

Section 2. Physical Examinations. Physical examinations required by the Employer or by law shall be promptly complied with by all employees at the time and place designated by the Employer at no cost to the employee.

The Employer reserves the right to select its own medical examiner and physician, and the Union may, if in its opinion feels an injustice has been done to an employee, have said employee re-examined at the Union's expense. If the two (2) physicians disagree, they shall mutually agree upon a third physician whose decision shall be final and binding. The expenses of the third physician shall be equally divided between the Employer and the Union.

Section 3. Safety and Sanitation.

Section 3.1. The Employer agrees to provide safe working conditions and maintain clean, sanitary luncheon rooms and such other sanitary facilities for the employee's health and welfare commensurate with, and in accordance with, applicable laws and regulations. Also, the Employer agrees to provide adequate safety devices for the employee's protection.

Section 3.2. In order to promote and maintain an Accident Prevention Program, the parties agree to establish a Safety Committee to be composed of three (3) Union Representatives and three (3) Employer Representatives, the Union Representatives to be appointed by the Union on a rotating basis. The Safety Committee Chairman shall be the Safety Director or his designee. The Safety Committee shall meet quarterly unless mutually agreed to by the Company and Union. The Accident and Prevention Program shall identify potential safety issues including unsafe equipment.

Section 3.3. The meetings of such Committee shall be on the Employer's time and scheduled at such time and in such manner so as not to interfere with the orderly operation of the plant. The Committee shall act to review accident investigation notes, working conditions, and to promote safety education of the employees and make recommendations for improvement of overall plant safety and the health and welfare of the employees.

Section 3.4. The Employer agrees to continue to maintain a First Aid facility and provide emergency transportation to appropriate medical facilities.

Section 4. Worker's Compensation Claims.

Section 4.1. The Employer agrees to cooperate towards the prompt settlement of employee on-the-job injury claims in accordance with applicable laws.

Section 4.2. Employees injured on the job, including accidents involving Employer vehicles, will promptly report the same to Employer on the prescribed forms.

Section 4.3. Whenever an employee is injured while at work requiring him to be sent home or hospitalized prior to the conclusion of his daily shift, the Employer agrees to reimburse him at the straight time hourly rate for the number of hours he is required to lose from that shift to a maximum of eight (8) hours.

Section 4.4. The Company may provide a modified work program on a nondiscriminatory basis if the work is available. This program is designed to provide temporary work opportunity to those employees who are unable to perform their normal work assignments due to an on-the-job injury.

Section 5. Personal Identification.

Section 5.1. Each employee will be issued a Company identification card and will be required to produce it upon entry onto the premises of the employer and/or upon request from any Security and/or Management personnel.

Section 5.2. In the event the personal identification card is lost, a \$2.50 replacement cost shall be paid by the employee.

Section 6: Bulletin Boards.

Section 6.1. The Employer agrees to provide a bulletin board for the posting of official Union notices and business. All data shall be reviewed by the employer prior to posting.

Section 6.2. In each building there shall be a covered bulletin board.

Section 7: Absenteeism. The Union and the Employer recognize absenteeism as a joint problem and a serious factor in accomplishing production schedules. It is recognized that there is necessary absenteeism and the same will be treated fairly.

In order to permit a department to rearrange its work schedule in the event an employee does not report for work, it shall be the responsibility of every employee absent from work to notify his supervisor one (1) hour prior to the start of his/her shift for each day of the absence unless prearranged with the employer. Failure to notify the Employer one (1) hour prior to scheduled start time of absence will be considered a violation of the attendance/call-in policy and subject to disciplinary action. Upon calling in, the employee

will be given a call-in number. An employee who knowingly will be absent from work must notify his supervisor as far in advance as possible, but no less than five (5) working days prior to his absence. Absence from scheduled work for three (3) consecutive days without notice to the Employer will result in immediate termination. Continued excessive and unexcused absences shall be cause for dismissal.

Sick days used for a bonafide sickness will not be used in conjunction with the attendance policy as an unexcused absence if and only when the employee returns to work accompanied with a completed properly executed certified doctor's note/release. The certified doctors note is to contain the reason and date/dates the employee was out. An absence of more than three (3) days requires the employee to contact the Personnel Office to investigate the eligibility and possible request for medical leave. The certified doctor's note will be turned into the employee's immediate supervisor or personnel prior to the start of the employee's shift.

Section 8. Use of Illegal Drugs or Alcohol. The Employer and the Union agree that the safety of all employees is a matter of highest importance and each will cooperate in an effort to prevent injuries. The Employer and the Union further agree that it is dangerous for an employee to report to work under the influence of illegal drugs or alcohol. In view of this, the Employer shall have the right to require an employee who is involved in an accident while at work to submit to testing to determine the presence of illegal drugs or alcohol in the employee's system. If the tests show that illegal drugs or alcohol are present, he will be terminated.

Section 9. Refusal of an employee to submit to testing prescribed by the Employer will result in the employee's immediate discharge. Proven use or possession of illegal drugs or use of alcohol on company premises will result in immediate discharge.

Section 10. Management and Employee Relations. The parties agree that the principle of a fair day's work for a fair day's pay shall be observed at all times.

Section 11. Maintenance Tool Allowance: The Company will reimburse maintenance employees for required tools with an itemized receipt up to \$150 for year 1; \$100 for year 2, and \$50 for each year thereafter. Reimbursement will only be within 30 days following the beginning of each contract year.

ARTICLE 19
NON-DISCRIMINATION

The Employer and the Union agree that no employee or prospective employee shall be discriminated against because of his race, sex, creed, color, age, disability, national origin, veteran status, political or religious affiliation, and/or membership or non-membership in the Union.

ARTICLE 20
COMPLETE AGREEMENT

It is the intent of the parties hereto that the provision of this Agreement which supersedes all prior agreements and understandings, oral or written, express or implied, between such parties shall govern their entire relationship and shall be the sole source of any and all rights or claims which may be asserted in arbitration hereunder, or otherwise.

The provisions of the Agreement can be amended, supplemented, rescinded, or otherwise altered only by mutual agreement in writing signed by the parties hereto.

The parties mutually agree not to seek during the term of this Agreement to negotiate or bargain with respect to any matters pertaining to rates of pay, wages, hours of employment, or other conditions of employment whether or not covered by this Agreement or in the negotiation leading thereto, and any rights in that respect are hereby expressly waived.

ARTICLE 21
TERM OF AGREEMENT

Section 1. Term of Agreement. This Agreement shall be in full force and effect from April 4, 2002 through April 3, 2007, and shall continue in full force and effect from year to year thereafter unless written notice of desire to cancel or terminate the Agreement is served by either party upon the other party at least sixty (60) days prior to the date of expiration.

Section 2. Negotiations. It is further provided that where no such cancellation or termination notice is served and the parties desire to continue said Agreement, either party may serve upon the other notice at least sixty (60) days prior to April 3, 2002, or April 3, of any subsequent contract year. The respective parties shall be permitted all legal or economic recourse to support their request for revisions if the parties fail to agree herein.

Section 3. It is further agreed that no provision of this Agreement shall apply retroactively to a person who is not an employee of the Employer upon the ratification of this Agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 3rd day of April, 2002.

GWALTNEY OF SMITHFIELD

By: *Norman B. Fisher*
Norman B. Fisher
Vice President Human Resources

TEAMSTERS LOCAL 822

By: *David A. Vinson*
David A. Vinson, President

By: *Sherbie J. Tucker*
Sherbie J. Tucker, Trustee

SUPPLEMENT "A"

In addition and supplemental to the terms of the Agreement dated April 4, 2002 by and between Gwaltney of Smithfield, Ltd., Virginia, and Teamsters Local 822, the following provisions shall apply to Truck Drivers:

Section 1. Furnishings/Lodgings. Comfortable, sanitary lodging shall mean a room with not more than two (2) beds and not more than two (2) employees sleeping in the same room at the same time, with janitor service, clean sheets, pillow cases, blankets, hot and cold running water, good ventilation and easy access to clean lavatory facilities in the building.

Sleeper cab bedding shall be furnished and maintained by the Employer. Employees must remove outer footwear before using bedding.

In case of sleeper operation, the sleeper cab will be furnished with the following items: 1 pillow; 1 pillow case; 2 sheets; 1 blanket. The Company shall keep these items laundered.

Section 2. Transportation. If no Company transportation, no bus or other public transportation is available within a reasonable distance of distant point, the Employer shall provide or pay transportation to and from sleeping quarters.

Section 3. Defective Equipment. No employee shall be compelled to take out equipment that is not mechanically sound and properly equipped to conform with applicable City, State and Federal regulations. After an employee has reported equipment unsafe, the Garage maintenance department will be required to put an "OK" slip on the equipment before an employee is required to drive said equipment.

Section 4. Call-in Time.

Section 4.1. Call One (1). All off-duty drivers will call between the hours of 2:00 p.m. and 4:00 p.m., for dispatch assignments. In the event any loads are scheduled for early dispatch, a driver will be notified by the Transportation Department. On occasions when a driver needs to know dispatch assignment prior to 2:00 p.m., he may call the Transportation Department for advisement.

Section 4.2. Call Two (2). Drivers will receive a call notifying the driver that his load has been loaded and has gone to the Billing Department for computation. The billing procedure usually requires one (1) hour, giving the driver time to report to work for a prompt

departure. The driver is effectively "on call" for two (2) hours before departure time and should be available in the event the load is ready earlier.

Drivers shall be paid at the regular rate after two (2) hours from the time the driver receives the second call and until actual departure from the plant gate.

If not put to his regular work, employees shall be guaranteed four (4) hours' pay at the rate specified in this Agreement. All drivers will report to work thirty (30) minutes prior to scheduled departure time to perform a full pre-operations check on their vehicle. All time lost due to delays as a result of overloads or certificate violations involving Federal, State, or City regulations which occur through no fault of the employee shall be paid by the Employer.

Section 5. Hook-up and Scale. Each driver will be required to pre-inspect equipment and to hook-up and scale their load prior to departure from the Company's premises. On return, drivers will unhook and return tractor to garage. For these services, drivers will be compensated \$7.50 per trip.

On return trips requiring a delivery and pick-up at the Portsmouth facility, an additional \$7.50 will be paid for hook-up and scale.

Section 6. Breakdown/Impassable Highways. On breakdowns and impassable highways, and after notification to the Employer, each driver shall be paid the hourly rate (two [2] drivers, one-half [$\frac{1}{2}$] hourly rate each, for all time spent on such breakdowns and/or impassable highways). The driver will receive pay if breakdown is in excess of one (1) hour, but not to exceed eight (8) hours of each 24-hour period. When a driver is relieved in a breakdown and/or impassable highway situation by the Employer, such hourly rate will be paid for the actual hours on such breakdowns and/or impassable highways until relieved.

Section 7. Layover Time. This section is designed to compensate drivers for all unscheduled rest periods not previously established in trip rates.

Section 7.1. When at the direction of the Employer, a drivers is requested to layover to deliver or pick up product, he shall be paid eight (8) hours times his regular hourly rate within a 24-hour period. This compensation is not to include traveling to and from pick up location or delivery locations. The Employer shall pay an additional meal allowances of \$17.00 for layover.

Section 7.2. When a truck is equipped with sleeping facilities, the driver shall use them unless prohibited by the location of the truck or law. Otherwise, the Employer shall reimburse him for the night's lodgings.

Section 7.3. The union acknowledges the Company's right to authorize or refuse lodging reimbursement in those cases where a truck driven by members of the bargaining unit is equipped with sleeping facilities, and where a driver is not otherwise prohibited by law or truck location from utilizing same. Permission by management to allow for the reimbursement of lodging expenses, however, shall not be withheld in the following circumstances:

Section 7.3.1. When a layover is due to unusual or unscheduled circumstances such as inclement weather or other environmental conditions attendant to the particular requested layover.

Section 7.3.2. Whenever a layover exceeds twelve (12) hours in length, due to scheduling, customer requirements and availability of unloading opportunities, backhauls, or other reasons.

Section 7.4. In all other cases besides those identified in Paragraphs 1 and 2, inclusive, the company retains the exclusive discretion to refuse reimbursement for lodging expenses, so long as law and location permit the use of a sleeper by the driver.

Section 7.5. Except in exceptional circumstances as approved by the Company, including required layovers in high cost areas (e.g., New York City, New England, etc.), no lodging shall be reimbursed in excess of \$50.00 for any one (1) night's stay, subject to proof by receipt of the cost of such lodgings. Employees will make every good faith effort to find lodgings at the least expensive price available in the area.

Section 8. Waiting Time. This section is designed to compensate a driver for time spent waiting at a pick up or delivery location after he has met his scheduled appointments.

Whenever a driver is directed by the Employer to wait for a pick up or on a backhaul or delivery, he shall be paid the hourly rate for each hour of waiting time (½ hourly rate with two [2] drivers) commencing the third hour up to a maximum of eight (8) hours.

To be eligible for this compensation, a driver must present verification to the Employer.

If a driver is late for an appointment, he forfeits this compensation unless through no fault of his own (i.e., impassable highway, breakdown, etc.).

Section 9. Pick-Up Allowance. On all runs whereon the driver is required to pick up, he shall receive an additional eleven (.11¢) per hundred pounds (100 lbs.), \$10.00 minimum guarantee.

Whenever a driver is directed by the Employer to make a pick up outside his designated trip route, he shall be paid excess mileage for each pick up at .28¢ per mile. A pick up is defined as when a driver picks up material for direct delivery to a Gwaltney plant or location.

Section 10. Passengers. No driver shall be permitted to allow anyone other than an employee who is on duty to ride on his truck except by written authorization of the Employer.

Section 11. Drivers' Logs. Drivers will be required to fully complete necessary ICC trip logs and cash settlement reports and submit same to the Employer immediately upon conclusion of each trip or as otherwise directed. Drivers will be required to maintain a time sheet showing the arrival and departure at the plant and intermediate stops and the cause and duration of all delays, time spent loading and unloading, and the sheets shall be turned in at the end of each trip.

Section 12. Weight Violations. Fines for weight violations, overloads or similar violations occurring through no fault of the Driver, or beyond the control of the Driver shall be paid by the Employer.

Section 13. Loss of Driving Permit. Employees with one (1) or more years of service who lose their driving permit for reasons other than which he can be discharged by the Employer, may be granted a leave of absence for such period of time as his permit has been revoked not to exceed six (6) months.

Section 14. Mileage Computation. Actual mileage shall be computed from the ALK Associates, Inc., P.C. Miler in accordance with the most practical route determined by the Employer.

Section 15. Deadheading. In all cases where an employee is instructed to ride or drive Employer owned or leased equipment, he shall receive full pay as specified in this Agreement. When instructed to deadhead on other than Employer owned or leased

equipment, the employee shall likewise receive the full rate of pay as specified in this Agreement, plus the cost of transportation.

Section 16. Bobtailing. Driving a tractor without trailer shall be paid on the same basis as tractor-trailer drivers.

Section 17. Trip Rates. Truck drivers shall be compensated and paid on a trip rate basis.

Section 17.1. Drivers shall be paid in accord with established trip rates (a copy of which will be incorporated with this Agreement). Whenever permanent changes, modifications or additions are made to the trip rates affecting the Drivers' earnings, the Union will be notified in writing.

Section 17.2. Trip rates shall be increased as follows:

4-4-02	3.8% increase
4-4-03	4.1% increase
4-4-04	4.4% increase
4-4-05	4.7% increase
4-4-06	5% increase

Section 18. Single and Double Runs. Drivers shall receive an additional \$7.00 for each stop after three (3).

The Employer reserves the right to determine whether runs shall be operated on a single or Double person mileage basis. Trips requiring two (2) drivers (double) will be calculated at 75% of the single rate, less layover, and will be paid to both drivers.

Section 19. Irregular Runs. Irregular runs shall be defined as those unscheduled trips to non-established Gwaltney market areas which are not routinely made. A regular trip rate will be established when it is found that seven (7) trips are made to the same destination within a six (6) month period.

On other than established trip rates, excluding pick-ups, drivers will receive the trip rate to the closest destination within the state, then .28¢ per mile to the deliver location and return.

Section 20. Regular Runs. Regular runs will be established by the following procedure: Using an established trip rate to the destination closest to the new run, mileage will then be calculated from the established destination to the new destination and computed at .28¢ per mile. This sum will then be added or subtracted to the established trip rate.

Section 21. Helpers. The hiring and use of helpers shall require proper authorization of the Employer and shall be paid for by the Employer upon presentation of an authorized signed voucher.

Section 22. Business Meetings. The Employer agrees to pay drivers for their attendance at Driver/Management Safety meetings. Drivers shall be paid their hourly rate for a minimum of four (4) hours.

Section 23. Applicability of Rates. Rates of pay and allowances provided for in this Supplement are considered as minimum and shall be paid as applicable. However, under no circumstances will there be any pyramiding of any payment or allowance on any trip.

Section 24. Trainees. Newly hired employees in a training status and riding with other Drivers shall be paid at eighty percent (80%) of the trip rate until they complete the training program or assume a regular driving schedule.

Trainees will spend two (2) weeks working on the shipping/receiving dock to learn Product Codes, Product Handling, and other shipping requirements to become knowledgeable of Gwaltney Product and Handling methods. The trainee will train (ride) with another driver for three (3) weeks in a training status. These three (3) weeks may be extended at the discretion of Management, but not to extend past the established probation period.

Once a driver assumes a trip on his own, he will no longer be a Trainee.

Section 25. Plant Driver. Plant drivers are those hourly paid drivers and/or drivers assigned to transport product and/or materials, (excluding customer/sales delivery); including but not limited to outside storage facilities, Gwaltney/Smithfield Foods plants, and tankage destinations which are less than 150 miles round trip. All runs exceeding 150 miles round trip will be trip rate pay, except tankage runs will remain an hourly pay up to 300 miles.

Section 26. Driver Rate of Pay. Drivers will be paid at the following hourly rate for time spent in an hourly pay status.

4/4/2002 4/4/2003 4/4/2004 4/4/2005 4/4/2006

\$12.31 \$12.56 \$12.81 \$13.06 \$13.31

Section 27. Pay Checks. The Company will make available to Drivers only, pay checks on Thursdays after 5:00 p.m. Drivers are required to submit pay sheets no later than 2:00 p.m. on Mondays prior.

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